

COMMONWEALTH OF VIRGINIA



Information Technology Resource Management (ITRM)

ENTERPRISE ARCHITECTURE CHART OF ACCOUNTS DATA STANDARD

Virginia Information Technologies Agency (VITA)

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1 Publication Version Control

The following table contains a history of revisions to this publication.

Version	Date	Revision Description	Contact
1.0	10/22/2012	Initial Document	Joe Grubbs
1.1	12/20/2012	Final document, following public comment, prepared for CIO/Secretary of Technology review and adoption	Joe Grubbs

Identifying Changes in This Document

- See the latest entry in the revision table above
- Vertical lines in the left margin indicate the paragraph has changes or additions. Specific changes in wording are noted using italics and underlines; with italics only indicating new/added language and italics that is underlined indicating language that has changed.

The following examples demonstrate how the reader may identify updates and changes:

Example with No Change – The text is the same. The text is the same.

Example with Revision – The text is the same. *A wording change, update or clarification is made in this text.*

Example of New Text – *This text is new.*

2 Reviews

- VITA's Commonwealth Data Governance (CDG) staff prepared the first draft of this publication based on information provided by the Department of Accounts and the Department of Transportation (Cardinal).
- The document was posted on VITA's Online Review and Comment Application (ORCA) for 30 days, and one agency commented. The agency comment was addressed and the final decision package prepared for review by the Chief Information Officer (CIO) of the Commonwealth and the Secretary of Technology.

3 Definitions

The terms used in this Business Narrative comply with the adopted definitions maintained in the Commonwealth of Virginia's Information Technology Resource Management (ITRM) Glossary. The ITRM Glossary can be accessed at http://www.vita.virginia.gov/uploadedFiles/VITA_Main_Public/Library/PSGs/PSG_Sections/C OV ITRM Glossary.pdf

4 Background

The Commonwealth of Virginia maintains accounting records in accordance with the principles of fund accounting. The Commonwealth's accounting records are subdivided into funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, fund balance, and operating accounts. The Commonwealth of Virginia classifies funds according to Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB).

In accordance with § 2.2-803 of the *Code of Virginia*, the Department of Accounts, acting on behalf of the State Comptroller, is responsible for financial data classification and coding structures for the Commonwealth. The Department of Accounts maintains the financial data classification and coding structures in the Commonwealth Accounting Policies and Procedures (CAPP) Manual and implements the Chart of Accounts through the Commonwealth Accounting and Reporting System (CARS).

The Chart of Accounts Data Standard implements, as a Commonwealth Information Technology Resource Management (ITRM) Data Standard, the Chart of Accounts data classification and coding structures as they are published by the Department of Accounts in the CAPP Manual and implemented through CARS. The data elements, definitions and specifications for the Chart of Accounts Data Standard have been derived from the CARS data model, as outlined in the CAPP Manual, Topic No. 70255, *CARS Data Elements*, and Topic No. 70210, *CARS Magnetic Media Interface Requirements*.

The Chart of Accounts coding structure is designed to accommodate all types of financial transactions for various Commonwealth government activities. In no way does adoption of the Chart of Accounts Data Standard abridge the statutory authority of the State Comptroller, under § 2.2-803 of the *Code of Virginia*, for financial accounting and control. The State Comptroller may modify the Commonwealth Chart of Accounts classification and coding structures to meet the needs of the state government. Therefore, key elements of the Chart of Accounts Data Standard shall be established by reference to the CAPP Manual and CARS to reflect the most current version of the Commonwealth Chart of Accounts.

The Chart of Accounts Data Standard has been developed based on the current state of the Commonwealth Chart of Accounts, as implemented through CARS. At the time of the standard's development, the Department of Accounts was in the planning stage of the roll-out of the Cardinal financial management system to Commonwealth agencies. The Cardinal Chart of Accounts eventually will replace the CARS Chart of Accounts, as stated in the Cardinal Project Charter, when the CARS system is retired as the Commonwealth's financial system of record. Once the CARS Chart of Accounts has been replaced, the Chart of Accounts Data Standard will be amended to reflect the Cardinal Chart of Accounts and associated data-exchange protocols.

5 Scope

The Chart of Accounts Data Standard implements, as a Commonwealth ITRM Standard, the Chart of Accounts data classification and coding structures published in the CAPP Manual, Topic No. 60101, *Chart of Accounts*, and implemented through CARS. The standard shall be applicable to all state officers, departments, boards, commissions, Agencies, and penal, educational and charitable institutions ("entities"), pursuant to § 2.2-803 of the *Code of Virginia*.

6 Governance

The Chart of Accounts Data Standard implements, as a Commonwealth ITRM Standard, the Chart of Accounts data classification and coding structures published in the CAPP Manual, Topic No. 60101, *Chart of Accounts*, and implemented through CARS. The Chart of Accounts Data Standard has been developed by VITA CDG staff based on direction and input from the Department of Accounts and Department of Transportation. VITA, acting on behalf of the CIO of the Commonwealth and Secretary of Technology, has supported the Department of Accounts in the development of the standard. VITA ensured compliance of the Chart of Accounts Data Standard with the Commonwealth's Information Technology Resource Management (ITRM) policies, standards and guidelines.

The Chart of Accounts Data Standard documentation and review package may be accessed in the Enterprise Data Standards Repository at <http://www.vita.virginia.gov/oversight/dm/default.aspx?id=10344>.

The Department of Accounts, acting on behalf of the State Comptroller, shall be the designated owner of the Chart of Accounts Data Standard. As such, the Department of Accounts shall have authority to interpret and apply the standard. VITA, in conjunction with the Department of Accounts, will provide support to covered entities - those under the scope of the Chart of Accounts Data Standard - to ensure that their systems comply with the standard. However, the Department of Accounts shall remain responsible for certifying system compliance. The Department of Accounts also shall coordinate with VITA on the development and ongoing maintenance of the Chart of Accounts Data Standard.

Commonwealth entities covered under the scope of the Chart of Accounts Data Standard may elect to develop or maintain financial management and accounting systems that extend or otherwise modify the Chart of Accounts to suit their respective needs. Likewise, Commonwealth entities governed by the Chart of Accounts Data Standard may comply with the standard through the implementation of data-exchange or other types of transformation schemas. VITA, in conjunction with the Department of Accounts, shall ensure that systems and solutions comply with the adopted standard.

Development of these systems and solutions shall be at the discretion of the State Comptroller, pursuant to § 2.2-803 of the *Code of Virginia*, and must be certified by the State Comptroller as being in compliance with the adopted standard. The systems and solutions also must be certified by the Auditor of Public Accounts as being adequate for purposes of audit and financial control, as required under the statute.

7 Components

The Chart of Accounts Data Standard consists of the following components:

1. Business Narrative describing the standard (this document)
2. Data Dictionary, which shall be established by reference consist of the CAPP Manual, Topic No. 70255, *CARS Data Elements*
http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/70255.pdf

CAPP Manual, Topic No. 70210, *CARS Magnetic Media Interface Requirements*
http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/70210.pdf

8 Authority

The following section references the statutory authority granted by the *Code of Virginia* to the State Comptroller for establishing the Chart of Accounts data classification and coding structures. The section references the statutory authority of the Secretary of Technology to adopt the Chart of Accounts Data Standard. The section also cites provisions in statute relating to the role of the Secretary of Technology, the Chief Information Officer of the Commonwealth (CIO), and VITA in the development, review and adoption of Commonwealth data standards.

The State Comptroller

§ 2.2-803. Financial accounting and control (As Amended)
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-803>

The Secretary of Technology

§ 2.2-225. Position established; Agencies for which responsible; additional powers (As Amended)
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-225>

The Chief Information Officer of the Commonwealth (CIO)

§ 2.2-2007. Powers of the CIO (As Amended)
<http://lis.virginia.gov/cgi-bin/legp604.exe?000+cod+2.2-2007>

The Virginia Information Technologies Agency

§ 2.2-2010. Additional powers of VITA (As Amended)
<http://lis.virginia.gov/cgi-bin/legp604.exe?000+cod+2.2-2010>

9 Overview

The Chart of Accounts Data Standard implements, as a Commonwealth ITRM Standard, the Chart of Accounts data classification and coding structures published in the CAPP Manual, Topic No. 60101, *Chart of Accounts*, and implemented through CARS. The data elements, definitions and specifications for the Chart of Accounts Data Standard have been derived from the CARS data model, as outlined in the CAPP Manual, Topic No. 70255, *CARS Data Elements*, and Topic No. 70210, *CARS Magnetic Media Interface Requirements*.

Classification Structure

The Chart of Accounts is a systematic structure for recording and reporting accounting information pertaining to the financial activities of both the Commonwealth and its Agencies. The Chart of Accounts has eight major components for classifying data. Each component is separate from the others. The components and their purposes are as follows:

- (1) Organization (Agency) - identifies the legally-authorized organizational entities through which State services are provided. All Agencies of the Commonwealth are assigned a unique three-digit code. (See CAPP Topic No. 60104, *Agency and FIPS Codes*) – Required on every transaction.
- (2) Fund - classifies data according to fiscal entities necessary to comply with legal requirements and GAAP. The fund structure is not adjustable for Agency management purposes. Revenues are deposited into funds in accordance with statutory provisions. The General Assembly appropriates according to funds. Expenditures are charged against the funds in accordance with those appropriations. (See CAPP Topic No. 60106, *Fund Codes*) – Required on every transaction.
- (3) General Ledger Accounts – consist of balance sheet and operational accounts that are used to segregate the types of transactions within each fund. Operational accounts are temporary control accounts that are closed at year-end to fund balance. All financial transactions of the State must be recorded within the appropriate fund in two General Ledger Accounts. (See CAPP Topic No. 60102, *CARS-General Ledger Codes*) – Required on every transaction.
- (4) Program - accumulates financial information related to activities or sets of activities aimed at achieving specific objectives of the Commonwealth. This component reports the costs of programs across Agency and fund lines and provides the basis for program budget formulation and control. Revenues are not recorded to programs. The program structure is adjustable to meet Agency management needs, if approved in advance by the Department of Planning and Budget. (See CAPP Topic No. 60107, *Program Codes*) – Required on expenditure transactions.
- (5) Object - classifies the specific type of expenditure of the operation of public activities or services. This component provides a secondary identification by Subobjects of expenditure. The object structure is not adjustable to meet Agency needs. (See CAPP Topic No. 60108, *Expenditure Codes*) – Required on expenditure transactions.

- (6) Revenue Source - identifies the specific types of revenues and receipts collected to support the activities of the Commonwealth. The revenue source structure is adjustable to meet Agency management needs with prior approval by DOA. (See CAPP Topic No. 60109, *Revenue Source Codes*) – Required on revenue transactions.
- (7) Project - identifies financial data that does not correspond directly to program activities and frequently does not fall within the normal fiscal period (i.e., fiscal year or biennium). The project structure is intended to give the Agency the flexibility required in accumulating financial information for Agency management purposes. The project component is also used to identify costs for statewide activities that cut across Agency lines and fall outside the program structure. (See CAPP Topic No. 60110, *Project Codes*) – Required on capital outlay expenditure transactions.
- (8) Federal Information Processing Standards (FIPS) Codes – pre-assigned numbers to identify cities, counties, and towns in the Commonwealth. State Agencies, institutions, boards, and commissions are required to use these codes to identify: (a) Distribution of funds appropriated by the State which are paid to local governments to support local operations (including public schools) and constitutional offices; and (b) Revenues paid into the State Treasury by State Agencies and institutions received or collected from cities, counties, or towns. (See CAPP Topic No. 60104, *Agency and FIPS Codes*) – Required on the types of transactions cited above.

Below is a schematic of the levels of financial data that can be coded for each of the six components of the Chart of Accounts. The X's indicate the number of characters for each of the detail classification elements. Elements with an asterisk (*) will be generated internally by CARS. The elements coded with a double asterisk (**) can be generated internally by CARS or can be input. In cases where items can be input and/or retrieved by other elements (project), and both methods are used for a single transaction, the input element must be the same as the element retrieved or the accounting transaction will be rejected.

ORGANIZATION (AGENCY)

Agency XXX

OBJECT

Major Object XX

Subobject XX

FUND

Fund Group XX

Fund Detail XX

REVENUE

*Revenue Class XX

*Revenue Source XXXXX

PROGRAM

*Function XX

*Subfunction XX

Program XXX

Service Area XX

Element XX

PROJECT

**Project XXXXX

**Task XX

**Phase XX

FIPS CODES

FIPS Code XXX

Data Elements

The data elements, definitions and specifications for the Chart of Accounts Data Standard have been derived from the CARS data model. Many data elements have been defined for use by the various systems and sub-systems comprising the State's financial management information system. The CARS data model reflects the data elements in use across the Commonwealth's financial management information system and, therefore, accounts for and reports a major portion of the state's financial activity.

The Chart of Accounts Data Standard shall implement, by reference, the data elements, definitions and specifications from the CARS data model, as outlined in the CAPP Manual, Topic No. 70255, *CARS Data Elements*, and Topic No. 70210, *CARS Magnetic Media Interface Requirements*. Given the statutory requirements established in the *Code of Virginia* for the State Comptroller to maintain and update the CAPP Manual and CARS, as necessary, the Chart of Accounts Data Standard shall remain aligned and current with the CARS data model published by the State Comptroller:

CAPP Manual, Topic No. 70255, *CARS Data Elements*
http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/70255.pdf

CAPP Manual, Topic No. 70210, *CARS Magnetic Media Interface Requirements*
http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/70210.pdf

10 Compliance

The Commonwealth of Virginia has adopted the Chart of Accounts Data Standard for the purpose of establishing as an ITRM Standard the Chart of Accounts data classification and coding structures published in the CAPP Manual, Topic No. 60101, *Chart of Accounts*, and implemented through CARS.

The standard shall be applicable to all state officers, departments, boards, commissions, Agencies, and penal, educational and charitable institutions, pursuant to § 2.2-803 of the *Code of Virginia*.

Commonwealth entities covered under the scope of the Chart of Accounts Data Standard may elect to develop or maintain financial management and accounting systems that extend or otherwise modify the Chart of Accounts to suit their respective needs. Likewise, Commonwealth entities governed by the standard may comply with the standard through the implementation of data-exchange or other types of transformation schemas.

Development of these systems and solutions shall be at the discretion of the State Comptroller, pursuant to § 2.2-803 of the *Code of Virginia*, and must be certified by the State Comptroller as being in compliance with the adopted standard. The systems and solutions also must be certified by the Auditor of Public Accounts as being adequate for purposes of audit and financial control, as required under the statute.

In order to proceed with such a compliance strategy, the Agency must request an exception using the VITA Exception Form available on the Web at

http://www.vita.virginia.gov/uploadedFiles/Oversight/EA/Data_Management_Group/EA%20Change-Exception%20Request%20Form.doc

Email the completed form to ea@vita.virginia.gov.

As part of the exception request, the requesting entity must state a valid business case for the alternate compliance strategy and demonstrate an efficient cost-benefit ratio warranting the compliance method.

All exception requests and alternate compliance strategies shall be considered by VITA Enterprise Architecture and Department of Accounts staff. However, granting of exceptions and certification of compliant data-exchange or transformation schemas shall be at the discretion of the State Comptroller, pursuant to § 2.2-803 of the *Code of Virginia*.